THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI BOLLA BULLI RAMAIAH) : (a) to (c). Indian tea is already being exported to Pakistan. In 1996-97, 90 MT of tea is estimated to have been exported to Pakistan in the six months ending September, 1996. All attempts are being made to increase indian tea exports to that country.

[English]

Task Force on Tea Production

3122. SHRI P.R. DASMUNSI : Will the Minister of COMMERCE be pleased to state :

(a) whether any Task Force or working group on tea production upto 2010 has been set up or proposed to be set up to ensure sufficient tea production for domestic supply and export; and

(b) if so, the details thereof?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI BOLLA BULLI RAMAIAH) : (a) No, Sir.

(b) Does not arise.

Policy for Foreign Direct Investment

3123. SHRI SANAT KUMAR MANDAL : Will the Minister of FINANCE be pleased to state :

(a) whether the Government have framed any policy regarding an annual Foreign Direct Investment (FDI) inflow;

(b) if so, the broad features thereof;

(c) whether the Reserve Bank of India's study is openly sceptical of FDI inflows, talking of the irrelevance of further liberalisation;

(d) whether his Ministry has at any stage considered the results of the impact study of FDI on two major dynamic aspects of development, technological capability and export promotion; and

(e) if so, the details thereof;

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : (a) and (b). The Government's policy towards foreign direct investment (FDI) is to encourage a larger flow of FDI especially in critical sectors such as infrastructure and export potential industries. The Common Minimum Programme has shown a target of an annual inflow of 10 billion to be achieved in future.

(c) The RBI's study while commending the current policy on foreign investment and foreign technology (foreign collaboration) has observed that liberalisation policy is not the sale determinant of FDI inflows and that the policy environment while being important is not the only factor; it has to be supplemented by broader economic environment in the location of FDI. The study refers to the relevance of liberalisation measures in the same context.

(d) and (e). The RBI's study mentions that within the limitations of the sample period, the results of its impact study of FDI on two major dynamic aspects of development, viz. technological capability and export promotion do not present an quivocal support to such a view point. The study also indicates that technology transfer is only one element of the technological capability and by itself is not adequate to ensure the dynamics of technological progress. Technological capability building of a developing nation in the contemporary world is a combined process of technology-import from external sources, domestic technology efforts and the relationship between the two. Technology import may stimulate or substitute domestic technology-efforts. The technological developments of Indian industry would be influenced by cost advantages and unrestricted freedom for technology import. The study notes that significant positive impact on exports by foreign collaboration firms; is not visible presumably because of the attractiveness of the large and growing Indian market.

Indian Tobacco Company

3124. SHRI MEHBOOB ZAHEDI :
SHRI AJOY MUKHOPADHYAY :

Will the Minister of FINANCE be pleased to state :

(a) whether Government propose to instruct Financial institutions to block any move of UK based BAT to take-over ITC Ltd.; and

(b) if so, the facts and details in regard thereto?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : (a) and (b). India shareholders (Including Financial Institutions) hold majority of the shares in ITC Ltd. Any decision regarding future of the company will necessarily have to be taken by the shareholders, Indian and foreign, in accordance with the provisions of the Companies Act.

Accommodation in Public Sector Undertakings

3125. PROF. RASA SINGH RAWAT : Will the Minister of INDUSTRY be pleased to state :

(a) whether the Department of Public Enterprises has framed/issued any guidelines in respect of sharing of Government accommodation by employees of Public Sector Undertakings;

(b) if so, the details thereof; and

(c) if not, the reasons therefor and the time by which these guidelines are likely to be issued?

THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN) : (a) No, Sir.

(b) Does not arise.